



JTPA

Number: D95-36

Serving the People of California

DIRECTIVE

Date: June 3, 1996

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: PROCESS FOR RETURN OF EXCESS CASH

EXECUTIVE SUMMARY:

Purpose:

This Directive provides guidance to Service Delivery Areas (SDA) to ensure compliance with the process for return of excess cash.

Scope:

This Directive applies to all subrecipients of Job Training Partnership Act (JTPA) funds.

Effective Date:

This Directive is effective upon release.

REFERENCES:

- 20 CFR §627.430, Grant payments
- JTPA Directive 87-4, Rev. 4, Subject: Cash Requests (This directive was last issued on December 22, 1992.)
- Subrecipient subgrant Exhibit BB, Section 10, Accounting and Cash Management
- Job Training Automation Cash Request Handbook

STATE-IMPOSED REQUIREMENTS:

This document contains state-imposed requirements that are printed in ***bold, italic*** type.

FILING INSTRUCTIONS:

Retain this Directive until further notice.

BACKGROUND:

The U.S. Department of Labor recently recommended that the state issue direction specific to the subject of excess cash held by its subrecipients and the methods of return of excess cash. The JTPA Final Rule, in 20 CFR §627.430, Grant payments,

requires subrecipients to limit cash advance requests “to actual immediate disbursement needs in carrying out the JTPA program.”

The JTPA Directive 87-4, Subject: Cash Requests, requires subrecipients to “develop detailed plans of their cash needs and [to] time cash requests to ensure that no excess cash is on deposit in their bank accounts.” The Directive also requires subrecipients to determine if a funding source has excess cash; and, if so, either (1) make a bookkeeping transfer to another JTPA funding source where the cash can be disbursed; or (2) return the excess cash to the Employment Development Department (EDD) if no immediate disbursements can be made from any JTPA program.

The JTPA master subgrant, Exhibit BB, Section 10, Accounting and Cash Management, requires the “subgrantee will submit requests for cash to coincide with immediate cash needs and assure that no excess cash is on deposit in their accounts or the accounts of any sub-contracting service provider”

POLICY AND PROCEDURES:

Prior to requesting cash, a subrecipient should review the cash balance for each of its JTPA subgrants. If cash-on-hand in one or more subgrants or grant codes exceeds the cash-on-hand needed for immediate cash disbursements for that subgrant or grant code, the subrecipient must either:

- 1. Process a plus/minus request returning excess cash for one subgrant or grant code and order cash for another subgrant or grant code. Please follow the procedures contained in the Job Training Automation Cash Handbook, in the On-Line Cash Request section; or***
- 2. Submit a check for the excess cash with a letter showing the Subgrantee name, Subgrant number, the program year, the grant code(s), and the amount to the following address:***

***Employment Development Department
Fiscal Programs Division, MIC 70
Attention: Cash Control Unit - Kim Hawkins
P.O. Box 826217
Sacramento, CA 94230-6217***

ACTION:

Please forward this Directive immediately to the SDA Fiscal Officer. The SDAs and other subrecipients of the state must follow these policies and procedures and ensure that no excess cash is held by their subrecipients.

INQUIRIES:

If you have any questions or concerns, please contact Lynda Lawson of the Fiscal Programs Division at (916) 654-7891, or your JTPD Program Manager.

/S/ VICKI J. JOHNSRUD
Acting Chief